

**Fort Dix
Housing Privatization Summary
November 2005**

The U.S. Army and the U.S. Air Force plan to jointly privatize the military family housing (MFH) located at Fort Dix and McGuire Air Force Base during 2006 to provide our military families with quality housing in well-planned residential communities. A summary of the privatization is provided below.

1. Privatization Overview:

- a. A private developer/property manager will receive ownership of the homes and most other facilities located within the housing areas (e.g., playgrounds, sidewalks, roads, storm sewers, etc.).
- b. The land within the housing areas will be leased to the private entity for 50 years. (The Government will retain ownership of the land.)
- c. The private entity must renovate or replace the housing units and improve the housing community in accordance with their proposed Community Development Plan. All improvements must comply with all applicable codes, standards, regulations, and laws and conform to local market (private sector) standards. The private entity must also maintain and operate the housing community (including the homes) throughout the 50-year lease.
- d. The Government will select the private developer/property manager that submits the "most advantageous" proposal.
- e. The private entity receives a portion of the project's rental income. The majority of the rent funds construction, operational, and maintenance accounts.

2. Estimated Schedule:

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|-------------------------------------|--------|
| ○ Select developer/property manager | Jan 06 |
| ○ Notify Congress | Feb 06 |
| ○ Award project | May 06 |
| ○ Begin privatization | Jun 06 |

3. Project Scope:

- 2,364 units (582 Army-owned) will transfer to the private entity.
- Approximately 780 acres (326 Army-owned) will be leased to the private entity.
- Within 6 years of the award date, the private entity must provide 2,083 quality housing units of which at least 457 must be newly-constructed.

4. Fort Dix Housing Area Minimum Requirements:

- Garden Terrace: Demolish all 474 Army-owned units;
Build new units at a reduced density
- 800 Area (Laurel Hill): Build new units at the vacant site
- Grove Park/Holly Crest: Renovate all 83 units
- Scott Plaza: Convert/renovate 22 units into 14
- Quarters 201 and 502: Renovate both units
- Quarters 1900: Use as a property manager's residence/
office or return to Army within 5 years

5. New Construction Requirements Include:

- No 2-bedroom units
- Minimum size standards (e.g., 1800 sq. ft. for E7 4-bedroom unit)
- Garages (2-car for detached units, 1-car for multiplex units)
- 2.5 parking spaces per unit
- Patios, carpet in bedrooms and living areas, ceiling fans
- Central A/C and programmable thermostats
- New Energy Star rated appliances including:
 - * Refrigerator/freezer (21 CF for 3+ bedroom units)
 - * Built-in microwave and dishwasher (2-level)
 - * 4-burner stove w/ self-cleaning oven
 - * Garbage disposal

6. Renovations: Renovations are to follow new construction requirements to the extent possible.

7. Desired Housing Features (requested by the Government) include:

- Replace more units with new construction (instead of renovation)
- Units larger than the minimum requirement and with additional storage (including walk-in closets)
- Laundry/mud rooms
- 2-car garage for all units
- Fenced rear yard

8. Other Amenities:

- a. Recreational Requirements include:
 - 1 tot lot per 50 units (or housing area)
 - 1 playground per 60 units (or housing area)
 - one soccer field per housing area (when feasible)
 - lighted basketball courts in each housing area (when feasible)
 - jogging trail/bike path in each housing area (when feasible)
 - two ball fields
- b. Desired Recreational/Community Features (requested by the Government) include:
 - Improved sidewalks, lighting, traffic flow, and parking
 - Recreational area in the center of Garden Terrace
 - Underground utilities
 - Community centers with meeting rooms
 - Picnic areas

9. Services:

- a. The Army and Air Force retain the responsibility for fire, police, and community support services (e.g., operation of the Youth Center) within the housing areas on their installations. The privatization project will reimburse the installations for fire and police services.
- b. A 4.45-acre site (between Elm Street and Fir Street in the northern portion of Garden Terrace) will be retained by the Army for possible use as a Child Development Center to be funded, built, owned, and operated by the Army (subject to funding approval).
- c. All AAFES-type facilities must be operated by AAFES. The RFP requests that the private entity identify a 2-acre parcel that could be used by AAFES for a possible shoppette within the Fort Dix housing areas (subject to AAFES approval and funding).

10. Impact on Military Families:

- a. Military members can choose from units within their pay grade on either Fort Dix or McGuire AFB. If no one is on the waiting list, the private entity may offer (with Government approval) a unit to a military member from a higher or lower pay grade at the military member's BAH rate. During the initial 6-year construction period, military members may be able to rent higher grade units if they agree to pay the difference as an out-of-pocket expense.
- b. Military members sign a 1 year lease with the private entity (or until PCS/separation from military).
- c. BAH will cover rent and a utilities allowance (set at 110% of the five-year running average utility cost for each unit type). Initially, military members give up their full BAH (by allotment) and are not responsible for utility payments. After utility meters are installed on all homes and the 5-year running averages are computed, military members receive their utilities allowance in their pay and give up (by allotment) the remainder of their BAH as rent. The military members then become responsible for paying their electric and natural gas bills and will retain any portion of their utilities allowance that is not used for the utility payments. Residents are not responsible for paying water, sewer, and refuse collection costs. Utility allowances are recalculated annually.
- d. There are no deposits for military members. There could be a fee for excessive pet damage or for damage beyond normal wear and tear.
- e. Renter's insurance will be available to active duty military families at no cost (a \$250.00 deductible comprehensive, named-peril replacement cost value policy with a replacement cost endorsement valued at no less than \$20,000 per eligible military member and their family). The policy will cover the tenant's personal property.
- f. Service calls (at no cost to residents) must be scheduled with residents and meet the following minimum response times:
 - * Emergency service: within 1 hour
 - * Urgent service: within 24 hours
 - * Routine service: within 5 days

- g. Some residents (but not all) may need to move to another unit (at Government or the private entity's expense) to allow their unit to be demolished or renovated.
- h. BAH will be included as income (on Leave and Earnings statements) once privatization begins. This may affect eligibility for some subsistence programs, including food stamps and Head-Start.

11. Government Involvement:

- a. The Air Force, with Army involvement, is the lead agency responsible for awarding and overseeing the privatization project. These responsibilities include monitoring the financial and physical status of the project.
- b. A Management Review Committee (MRC) that includes both installation commanders will provide installation-level executive oversight of the project.
- c. A Government Housing Office staffed jointly by the Air Force and the Army will perform housing referrals, conduct daily project oversight, and assist in resolving any resident-property manager problems.

12. Other Eligible Tenants:

- a. If the overall vacancy rate exceeds 5% for 3 consecutive months, the private entity can offer leases for 12 months or less to:
 - Other active duty military
 - Federal civil service employees
 - Retired military
 - Reserve/Guard members
 - Retired federal civil service
 - DoD contractor/permanent employee (U.S. citizen)
- b. If advertisement for 60 days or more does not produce a sufficient quantity of applicants (from the list above) to increase occupancy to 95%, the private entity/contractor can offer leases for 12 months or less to the general public. The general public must be separated from other residents with fencing (and with new roadways as necessary).

- c. Other Eligible Tenants do not have priority renewal (i.e., their lease will not be renewed if there are active duty military families on the waiting list) and all renewals are 12 months or less.
- d. Except for active duty members who are charged rent at the BAH “with dependent” rate, the Other Eligible Tenants may be charged unrestricted rent. However, their rent can not be lower than the rent charged for that unit to accompanied active duty military families. Other Eligible Tenants can be charged deposits of up to 1 month’s rent.

13. Fort Dix Point-of-Contact:

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